



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Donna M. Anderson, Treasurer  
National Republican Congressional  
Committee Expenditures  
320 First Street  
Washington, DC 20003

FEB 2 2000

Identification Number: C00075820

Reference: September Monthly Report (8/1/99-8/31/99)

Dear Ms. Anderson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your calculations for Line 20, Column B appear to be incorrect. FEC calculations disclose this amount(s) to be \$20,065,971.25. Please provide the corrected total(s) on the Detailed Summary Page.

-Schedule H2 of your report indicates that your committee participated in fundraising activities or events during the reporting period. However, there are no corresponding disbursements reflected on your Schedule H4 (i.e. 313-327, 313-350, 313-325-399, 313-325-400, 313-325-405, 313-325-418, 313-325-419, 313-329-311, 313-325-314, and 313-325-315). If any disbursements were incorrectly reported, you should file an amended Schedule H4 with the correct unique identifying code or title.

Note that you need not include activities on Schedule H2 if there are no corresponding payments made for the activity during the reporting period.

-Your report indicates that you have received corporate in-kind contributions during this reporting period; however, you have failed to properly disclose the original receipt and disbursement of these in-kinds by your non-federal account(s). Please refer to the following reporting requirements for National Party Committees:

In accordance with 11 CFR 104.8(c), a National Party Committee shall disclose in a memo Schedule A, information about each individual, committee, corporation, labor organization, or other entity that donates in excess of \$200 in a calendar year to the committee's non-federal account(s). Furthermore, in accordance with 11 CFR 104.9(c), a National Party Committee shall report in a memo Schedule B the full name and mailing address of each person to whom a disbursement in an aggregate amount or value in excess of \$200 within the calendar year is made from the committee's non-federal account(s), together with the date, amount and purpose of such disbursement.

You should amend this report to fully disclose the corporate in-kind contributions by your non-federal account(s).

-The event year-to-date totals for several events and administrative expenses are incorrect on Schedule H4. This appears to result from the omission of the corporate in-kind contribution amounts from the event year-to-date totals. The in-kind contributions should be included in the totals for the appropriate event(s) (see enclosed pages from the Campaign Guide for Political Party Committees). Please amend this report and any subsequent reports to clarify the event year-to-date totals.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

*Andrea Wilkens*

Andrea Wilkens  
Reports Analyst  
Reports Analysis Division

### "Disbursement" of In-Kind Donation (H4)

Like in-kind contributions, in-kind donations must be reported as both receipts and disbursements so as not to inflate the cash-on-hand balance. (The disbursement side reflects the use or "expenditure" of the resources.) Schedule H4 is used for the disbursement entry, which shows the \$5,000 in-kind donation as a 100 percent nonfederal disbursement. The donor's name and address is disclosed in the box generally used for payees.

### Transfer from Federal Account (H4)

The second entry on Schedule H4 shows the contemporaneous transfer of \$2,500 (the federal share of the donation) from the federal account to the nonfederal account. The explanation of the transfer is described in the "Purpose" box, with a reference to the previous entry.

### Alternative Reporting Method

To minimize entries and avoid duplication, a committee may use alternative methods to report transactions relating to in-kind donations.

The committee may use one entry on Schedule H3 to show the receipt of all in-kind donations made within the same reporting period for a particular fundraising program or event (or administrative activity).

The committee may also use one entry on Schedule H4 to show total federal payments (transfers) made on the same day for the federal share of in-kind donations.

### Example

A committee receives two in-kind donations from prohibited sources for a mixed federal/nonfederal fundraising event, "July Fundraiser":

- Invitations donated by XYZ Printers, Inc. (value: \$3,000) received on July 1; and
- Balloons donated by ABC Balloons, Inc. (value: \$1,000) received on July 15.

The fundraising ratio for "July Fundraiser" is 50 percent federal, 50 percent nonfederal. The federal account transfers its \$2,000 share of the two donations on July 1.

## DISBURSEMENT OF IN-KIND DONATION; FEDERAL TRANSFER (H4)

DISBURSEMENT SCHEDULE H4 (Effective 1/1/91)		JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE		PAGE 1 OF 1 FOR LINE 21b	
NAME OF COMMITTEE State Party Committee					
A. FULL NAME, MAILING ADDRESS & ZIP CODE Flowers by Fader, Inc. 800 Main Highway City, State ZIP	PURPOSE/REASON Flowers for Chairman's Gala	DATE 10/1/98	TOTAL AMOUNT \$5,000.00 in-kind	FEDERAL SHARE 0	NON-FEDERAL SHARE \$5,000.00
CATEGORY: <input type="checkbox"/> Administrative/Other Event <input type="checkbox"/> Fundraising <input type="checkbox"/> Receipt <input checked="" type="checkbox"/> Other: \$1,000.00 <input type="checkbox"/> Direct Candidate Support					
B. FULL NAME, MAILING ADDRESS & ZIP CODE State Party Committee/ Nonfederal Account 445 Democracy Blvd. City, State ZIP	PURPOSE/REASON Transfer of federal share (see above)	DATE 10/1/98	TOTAL AMOUNT \$2,500.00	FEDERAL SHARE \$2,500.00	NON-FEDERAL SHARE 0

The first entry shows the "disbursement" of the \$5,000 in-kind donation by the nonfederal account. The second entry shows the federal account's transfer of its share of the donation (50 percent or \$2,500) to the nonfederal account.

### Schedule H3—Receipt of In-Kind Donations

The committee uses one entry on Schedule H3 to show the total in-kind donations for "July Fundraiser" received during the reporting period. The "date of receipt" shows the period during which the committee received the contributions. The "July Fundraiser" entry cross references the Schedule H4 entries showing the "disbursement" of the donations and the identity of the contributors.

## RECEIPT OF IN-KIND DONATIONS (H3)

NAME OF ACCOUNT Nonfederal Account		DATE OF RECEIPT 7/1-7/15/98	AMOUNT \$4,000.00
		EXPLANATION OF RECEIPT RECEIVED	
		ADMINISTRATIVE EVENT AMOUNT	RECEIPT ACTIVITY/RECEIPT CANDIDATE SUPPORT
1. Total Administrative/Other Date			
2. Direct Fundraising Date (Event/Receipt for [date])			
a. July Fundraiser		\$4,000.00	
b. ABC Balloons, Inc., 7/15/98			
c. XYZ Printers, Inc., 7/1/98			
d.			

The \$4,000 in-kind transfer represents a \$3,000 donation received on July 1 and a \$1,000 donation received on July 15. The entry notes the Schedule H4 entries where information on the donations is available.

**Schedule H4—"Disbursement" of Donations; Federal Transfer**  
Schedule H4 shows the "disbursement" of the two in-kind donations by the nonfederal account, each entry identifying the donor and the dates the donations were received.

The third entry shows the federal account's payment for its 50 percent share of the two donations and the date of the transfer to the nonfederal account. The entry refers to the previous two entries to show the transfer relates to those transactions.

### "Escrow" Transfer

Advance transfers from the federal account to the nonfederal account to pay the federal share of anticipated in-kind donations are reported on Schedule H3. If known, the particular activity (fundraising program/event or administrative) to which the transfer applies should be noted. If the corresponding in-kind donations are received in a later reporting period, it is understood that the Schedule H3 entry will not be able to list the related Schedule H4 donor entries (showing the nonfederal "disbursement" of the donations).

## DISBURSEMENT OF IN-KIND DONATIONS; FEDERAL TRANSFER (H4)

DISBURSEMENT SCHEDULE H4 (Schedule H4/H4)		JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE		PAGE 1 OF 1 FOR LINE 21a	
NAME OF COMMITTEE State Party Committee					
A. FULL NAME, MAILING ADDRESS & ZIP CODE XYZ Printing Incorporated 9150 Pine Street City, State ZIP	PURPOSE/TYPE Invitations for July Fundraiser	DATE 7/1/96	TOTAL AMOUNT \$3,000.00 in-kind	FEDERAL SHARE 0	NON-FEDERAL SHARE \$3,000.00
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/OTHER SHARE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION OTHER REVENUE: \$15,000.00 <input type="checkbox"/> IN-KIND CONTRIBUTION REPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE Ballroom Inc. 887 Oak Street City, State ZIP	PURPOSE/TYPE balloons for July Fundraiser	DATE 7/18/96	TOTAL AMOUNT \$1,000.00 in-kind	FEDERAL SHARE 0	NON-FEDERAL SHARE \$1,000.00
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/OTHER SHARE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION OTHER REVENUE: \$15,000.00 <input type="checkbox"/> IN-KIND CONTRIBUTION REPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE State Party Committee/ Nonfederal Account 445 Democracy Blvd. City, State ZIP	PURPOSE/TYPE transfer of federal share (see A and B above)	DATE 7/1/96	TOTAL AMOUNT \$2,000.00	FEDERAL SHARE \$2,000.00	NON-FEDERAL SHARE 0
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/OTHER SHARE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> ELECTION OTHER REVENUE: \$15,000.00 <input type="checkbox"/> IN-KIND CONTRIBUTION REPORT					

The first two entries on this schedule provide information on the in-kind donations received and "disbursed" by the nonfederal account. The third entry shows that the federal account's 50 percent share of the donations was transferred to the nonfederal account on July 1. The entry cross references the related entries.

